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南京熊猫电子股份有限公司

NANJING PANDA ELECTRONICS COMPANY LIMITED

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 0553)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that the unaudited net profit and basic earnings per share of the Group for the year ended 31 December 2009 are expected to decline significantly as compared with those for the year ended 31 December 2008.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

This announcement is made by Nanjing Panda Electronics Company Limited (the “**Company**”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that the unaudited net profit and basic earnings per share of the Company for the year ended 31 December 2009 are expected to decline significantly as compared with those for the year ended 31 December 2008. According to the unaudited management accounts (prepared in accordance with the PRC accounting rules and regulations), (i) the net profit attributable to the equity holders of the parent company for the year ended 31 December 2008 was approximately RMB37.20 million and its basic earnings per share amounted to approximately RMB0.06 per share according to the audited financial report prepared under the PRC accounting rules and regulations; and (ii) the net profit and the basic earnings per share of the Company for the year ended 31 December 2009 decreased by more than 50% as compared with the corresponding period last year according to the unaudited financial report prepared under the PRC accounting rules and regulations. Such decrease was mainly due to the fact that the net profit of the Company is mainly derived from the investment gains of its sino-foreign joint ventures. Afflicted by the market conditions, the net profit of the sino-foreign joint ventures substantially decreased and hence affected the investment gains of the Company. As a result, the Company’s net profit decreased.

The Company is in the process of finalizing the financial results of the Group as at 31 December 2009. The information contained in this announcement is only a preliminary assessment by the Company based on the information currently available and is not based on any figures or information audited by the Company’s auditors. Details of the consolidated financial results of the Group for the year ended 31 December 2009 will be disclosed in the annual results announcement on 29 March 2010.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Nanjing Panda Electronics Company Limited
Li Anjian
Chairman

Nanjing, the PRC
20 January 2010

As at the date of this announcement, the Board comprises: 1. Executive Director: Mr. Li Anjian; 2. Non-executive Directors: Mr. Xu Guofei, Mr. Zhu Lifeng, Mr. Shi Qiusheng, Mr. Lu Qing, Mr. Jason Hsuan; 3. Independent Non-executive Directors: Mr. Cai Lianglin, Mr. Ma Chung Lai, Lawrence, Mr. Tang Yousong.